



Governor Olene S. Walker

FY 2005 Budget Overview

MAJOR RECOMMENDATIONS



Maintain quality education

- 6.9% increase in public education funding, \$115.9 million new state money
- Performance Plus - Reading achievement for grades 1-3
- 4% increase in higher education funding, \$24.9 million new state money
- Continue successful engineering initiative



Restore the structural balance of the General Fund

- Retrieve sales tax dollars used for roads and water subsidies



Protect the basic services of state government

- Avoid further budget cuts
- Open 550 bed Oxbow women's correctional facility
- Fund:
 - Medicaid 9.3% caseload and utilization growth
 - Health Insurance Pool for the uninsurable, \$10 million
 - General Assistance & food stamp caseload growth, \$3.4 million
- Continue the fight against the storage of high-level nuclear waste, \$500,000
- Support employees with a 2% COLA and cover health and dental insurance and retirement rate increases

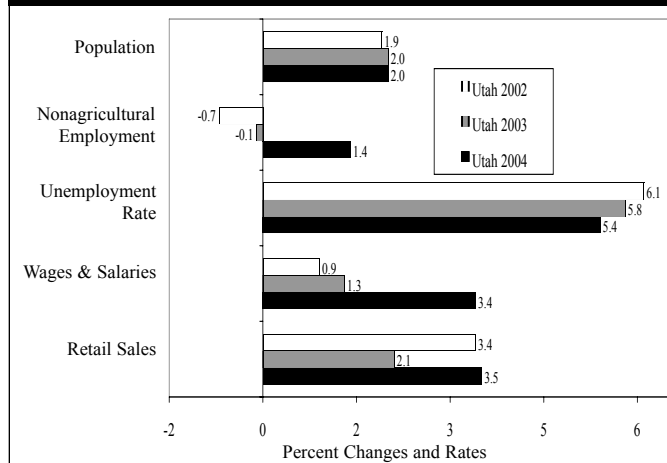


Exercise conservative fiscal management

- Put \$25 million into the Rainy Day Fund
- Modest General Obligation bonding:
 - \$102 million - Centennial Highway roads
 - \$50 million - Capitol restoration
 - \$11.2 million - Oxbow women's facility

(\$136.3 million of existing debt will be paid off July 1, 2004)

Utah Economic Indicators
Calendar Year 2002 - 2004

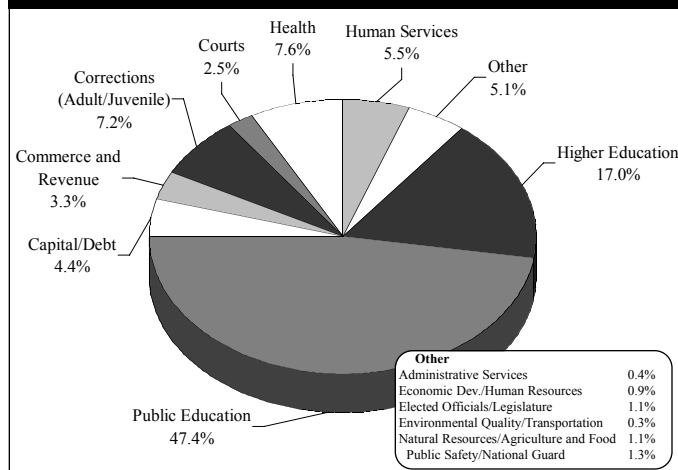


Source: Council of Economic Advisors' Revenue Assumptions Committee

FUNDING TOTALS

Total State Budget (including federal funds, etc)	\$8.0 billion 3.4% increase
General Fund/Uniform School Fund State Tax Dollars	\$3.8 billion 4.8% increase
General Fund/Uniform School Fund Revenue Change	\$104 million 2.9% increase

Where State Dollars Go - FY 2005
General Fund and School Funds



These graphs show Governor Walker's recommendations for balancing the FY 2004 \$37.3 million shortfall and necessary supplemental expenditures as well as the FY 2005 budget.

